

## APPENDIX A

### ADDITIONAL PERFORMANCE REQUIREMENTS

1. Purpose. Specific provisions of law, regulation, and DOD policy require certain matters to be considered in the performance evaluations of some employees. Except as provided below, this does not require the establishment of specific performance elements and standards addressing the individual's performance. Rating officials may just consider these requirements in the performance rating or provide narrative evaluations of progress in meeting these requirements (e.g., in a statement on an appraisal form reserved for remarks).

2. DoD Performance Evaluation Requirements

a. Audit Follow-Up. Performance evaluations of appropriate managers must reflect the degree of effectiveness in addressing audit findings and recommendations and implementing agreed-upon corrective actions as required by Office of Management and Budget (OMB) Circular A-50, "Audit Follow-Up," September 29, 1982. This requirement applies to audits conducted by the General Accounting Office (GAO) and the DoD Inspector General. This requirement is established in paragraph E.3.g. of DoD Directive 7650.3, "Follow-Up on General Accounting Office, DoD Inspector General, Internal Audit, and Internal Review Reports," September 5, 1989.

b. Protecting Classified Information. Performance evaluations of all employees whose duties involve access to classified information must include a comment by rating officials pertaining to an employee's discharge of security responsibilities. This requirement is established in paragraph 9-102(d) of DoD 5200.2-R, "Personnel Security Program," January 1987.

c. Internal Management Control. Performance evaluations of managers who have significant Internal Management Control (IMC)

responsibilities must reflect the accountability for the success or failure of IMC practices. This requirement is established in paragraph E.3.d. of DoD Directive 5101.39, "Internal Management Control Program," April 14, 1987.

d. Equal Employment Opportunity (EEO). Performance evaluations of supervisors, managers, and other personnel with EEO responsibility must have a critical element on EEO. This requirement is established in paragraph E.2.f. of DoD Directive 1440.1, "The DoD Equal Employment Opportunity (EEO) Program," May 21, 1987.

e. Inventory Management. Performance evaluations of individuals employed at Inventory Control Points must give appropriate consideration to efforts made by these individuals to eliminate wasteful practices and achieve cost savings in the acquisition and management of inventory items. This requirement is established in section 2458 of Title 10, United States Code.

f. Acquisitions. Persons serving in acquisition positions in the same acquisition career field must be provided an opportunity for review and inclusion of any comments on any appraisal of the performance of a person serving in an acquisition position. This requirement is established in paragraph D.19 of DoD Directive 5000.52, "Defense Acquisition Education, Training, and Career Development Program," October 25, 1991.

g. Regulatory Reinvention. Performance measurements of persons who are frontline regulators, i.e., those who have authority to order a corrective action or levy a fine on a business or other government entity, must focus on results, not process and punishment. Therefore, such measures should not be based on process (e.g., number of visits to a business or government entity) or punishment (e.g., number of violations found, number of fines levied on a business or government entity). This requirement is established by a Presidential Memorandum for heads of Federal departments and agencies, "Regulatory Reinvention Initiative," March 4, 1995.

h. Classified Information Management. The performance ratings of civilian employees who are original classification authorities, security managers or security specialists, or significantly involved in the creation or handling of classified information must include the management of classified information as a critical element or item to be evaluated. This requirement is established in section 5.6.(c)(7) of Executive Order 12958, "Classified National Security Information," April 17, 1995.

i. Safety. Responsible DoD officials at each management level, including first level supervisors, must to the extent of their authority, comply with the DoD Occupational Safety and Health program guidance and regulations. Performance evaluations of those employees must reflect personal accountability in this respect, consistent with the duties of the position, with appropriate recognition of superior performance, and conversely, with corrective administrative action, as appropriate, for deficient performance. This requirement is established in Enclosure 2 to DoD Instruction 6055.1, "DoD Occupational Safety and Health Program," October 26, 1984.

j. Increased Competition and Cost Savings in Contracts. Performance evaluations of officials involved in contracting and acquisition must give appropriate recognition to efforts to increase competition and achieve cost savings. This requirement is established in section 2317 of Title 10, United States Code.

## APPENDIX B

### ELEMENT RATING CONVERSION CHART EXAMPLES

The following examples translate element ratings into summary ratings using 2, 3, 4, or 5 levels. Element ratings can have multi-levels but must translate into a summary rating of "acceptable" or "unacceptable."

<u>Element Rating</u>	<u>Summary Rating</u>
*****	
Outstanding	
Exceeds Fully Successful	Acceptable
Fully Successful	
<hr/>	
Minimally Successful	
Unacceptable	Unacceptable
*****	
Above Fully Successful	
Fully Successful	Acceptable

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Below Fully Successful	Unacceptable
*****	
Pass	Acceptable
*****	
Fail	Unacceptable
*****	

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Commands and activities may establish a variety of rating systems to meet their individual needs, such as pass/fail elements and standards, multi-level performance standards, generic elements and standards, 360-degree automated ratings, competency based elements and standards, work plans, etc.

### Appendix C

#### PERFORMANCE MANAGEMENT PROGRAM Questions and Answers

Q. Why is the Department of the Navy (DON) changing the performance management program?

A. Managers and employees at our headquarters and field organizations have been unhappy with the current 5-level system for a long time. They find it complicated, inflexible, time consuming, and confrontational. There is also a belief that it fosters discrimination complaints and grievances. Recent regulatory changes have given us an opportunity to design a performance management program that meets DON requirements and suits our unique culture.

Q. How/why did DON choose a 2-level performance management program?

A. The choice of a 2-level program was based on the input from our commands and activities.

At a meeting in July 1996, the Directors of Civilian Personnel Programs (DCPPs) agreed it was important to have a DON-wide performance management program with a single rating pattern for all DON civilian employees. A DCPP working group was formed to

draft a performance appraisal program, using a single rating pattern. Representatives from NAVSEA, NAVAIR, CNET, NAVTELCOM, AAUSN and MARCORPS volunteered for the working group. The group identified the pros/cons of eight possible rating patterns. The 2-level ("acceptable" or "unacceptable") summary rating pattern was recommended by the group. Their recommendation was sent to the field for comments; 90% of the comments received agreed with using the 2-level summary rating pattern.

In May 1997, the Assistant Secretary of the Navy (Manpower and Reserve Affairs) presented this program to the Human Resources Service Delivery Board of Directors (BOD). The BOD supported implementation of the 2-level summary rating program.

Q. What about the effect on retention during Reduction in Force (RIF)?

A. Current RIF regulations grant various lengths of additional service credit based on performance at or above "fully successful" (i.e., FS = 12 years, EFS = 16 years, O = 20 years).

The Office of Personnel Management is revising these regulations to give agencies flexibility to adjust the number of years of additional credit to accommodate various performance rating patterns.

Q. How can performance be considered in the merit promotion program if everyone has the same rating?

A. Performance is only one of the assessment measures managers consider when making a selection for promotion. They must also consider an employee's experience, education, training, and awards. Managers can also obtain more detailed information about a candidate's performance by contacting their current and/or former supervisors.

Q. Where are the flexibilities in the 2-level summary rating program?

A. Under this new program, commands can establish a variety of rating systems which meet their individual needs. This might include individual performance element ratings using 3, 4, or 5 levels (e.g., O, EFS, FS, M, U). They may also elect to use different systems for obtaining those element ratings, such as 360-degree ratings. It is only the summary rating that is limited to one of two levels, "acceptable or unacceptable." (See Appendix B.)

Q. Will the new program still require at least one critical element for each employee?

A. Yes. Each employee must have at least one critical element based on individual performance and the performance standard for each critical element must be defined at the "acceptable" or "fully successful" (i.e., passing) level.

Q. Must a command/activity establish new critical elements and performance standards?

A. No. Based on the needs and requirements of the organization, a command/activity can use their current performance objectives, establish new ones, use generic elements, work plans, etc.

Q. Is there a requirement for a specific number of critical elements?

A. As stated above, the only requirement is that each employee have at least one critical element based on individual performance.

Q. Can critical elements be used to assess team performance?

A. No. Critical elements may only be used for individual performance. Additional elements may be used to assess team goals and contributions.

Q. What is an additional element and how does it differ from a critical element?

A. An additional element is a dimension or aspect of individual, team, or organizational performance that is not a critical or non-critical element. Such elements are not used in assigning a summary level but, like critical and non-critical elements, are useful for purposes such as communicating performance expectations and serving as the basis for granting awards. Such elements may include, but are not limited to, objectives, goals, program plans, work plans, and other means of expressing performance.

Q. Is there a specific appraisal form commands/activities are required to use?

A. No. Commands and activities can design their own forms based on their internal requirements.

Q. How do commands/activities recognize performance that exceeds the "acceptable" (fully successful) level?

A. Through the DON Awards Program.

Q. How do commands/activities give awards for performance if everyone has the same rating?

A. Through pre-determined awards criteria. Commands/activities will be required to establish awards criteria, such as productivity standards, performance goals, measurement systems, etc., for granting monetary or non-monetary awards for individual, team, or organizational achievements or contributions. Examples of awards include, but are not limited to, Special Act awards, time-off, honorary and informal recognition awards. Awards can be given at any time, not just at the end of a performance cycle. The DON Performance Management Program Implementation Guide contains the criteria for granting quality step increases.

Q. Is there going to be a new awards instruction?

A. Yes. A working group has been established to review and redesign the DON Awards Program.

Q. Will there be briefings or training on these new programs?

A. Yes. We will be conducting a series of informational briefings to the field.